

## Living Outside The Benefits Box: SSA Work Incentives

Russell Sickles, Senior Consultant, GHA



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Griffin-Hammis Associates



### Goals for Today's Session



- Receiving Public Benefits is Not a commitment to a life of poverty!
- There are Work Incentives!
- SSA Benefits
- Plan to Achieve Self-Support Work Incentive
- Healthcare Options

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### Old Way/Myths/Limitations



- Don't ever earn over \$ \_\_\_\_\_
- If you earn over \$85 you will lose money
- You have to keep \$1 of SSI or you'll lose your Medicaid

In the Benefits Box: Work Rules Determine Work Goal

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## Possibilities and Full Potential

- There are work incentives that can assure continued access to critical health insurance, increased personal wealth, and additional resources to reach working at full potential—Include the development of a Work Incentives Plan

Outside the Benefits Box: Work Goal  
Determines which Work Incentives to Use.

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## Possibilities of SSA Work Incentives

Work Incentives are special work rules created to support a person as they work to:

- Maintain access to health insurance
- Keep more of their cash benefit check
- Keep eligibility status even if not receiving benefit check due to earned income
- Access funding to pay for work expenses

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## Statistically Significant Usage

### VA DRS Work Incentives and Successful Closures:

- SSI – 289 successful closures with a 38% rehabilitation rate
- SSDI – 360 successful closures with a 44% rehabilitation rate
- 28 of 34 clients that utilized work incentives were closed successfully (82%)

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## What is Earned Income?

- For Both SSI and SSDI
  - Wage employment income is:
    - GROSS WAGES
  - Self-employment income is:
    - NET EARNINGS FROM SELF EMPLOYMENT
      - Sales – Business Expenses x 0.9235
      - SSI averages annual amount over 12 months
      - SSDI averages over a representative period after TWP

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## SSDI and Earned Income

- In general, benefit check is all or nothing, based on earnings below or above Substantial Gainful Activity (SGA)
  - \$1,090/month (2015) countable earnings
  - \$1,820/month (2015) if blind by SSA criteria
- Referred to as “cash cliff”, planning is critical to avoid unexpected drop in income

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## SSDI and Earned Income: Phase 1: Trial Work Period

- TWP: Effectively suspends the “able to perform SGA” part of the disability definition so that beneficiaries may attempt to work without immediately losing their cash benefits.
- Ends only when 9 months over TWP within a rolling period of 60 consecutive months.
- 2015—\$780 or 80 hours in self-employment.
- One TWP per period of entitlement.
- Cessation Month and Grace Period
- Extended Medicare: for 93 months after TWP ends.
- Ticket-to-Work: Suspends Disability review if making progress towards goal.

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## SSDI and Earned Income: Phase 2: Extended Period of Eligibility (EPE)

### Phase 2: Extended Period of Eligibility (EPE):

- Begins month after 9<sup>th</sup> Trial Work month
- EPE lasts 36 months
- COUNTABLE earnings ↓ SGA = benefit check
- COUNTABLE earnings ↑ SGA = NO benefit check
- Grace Period: The first month COUNTABLE earnings are ABOVE SGA after TWP, keep the benefit check that month and the following 2 months, no matter what earnings are




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## SSDI and Earned Income: Phase 3: Post EPE

### Phase 3: Post EPE:

- After EPE, continue to look for SGA--
  - COUNTABLE earnings SGA = ↓ benefit check
- BUT--
  - 1st month COUNTABLE earnings SGA = ↑ termination
- If COUNTABLE wages then drop BELOW SGA within 60 months of termination--
  - Can request reinstatement of benefits (EXR)
  - Receive up to 6 months of provisional benefits while SSA makes reinstatement decision




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## Griffin-Hammis Associates Impairment Related Work Expenses (IRWE)

- Expenses that are: Out of Pocket; Related to Impairment; Needed to Work
- SSDI/SSI Implications—concurrent beneficiaries apply IRWE 2 different ways.
- Examples: adaptive equipment, attendant care, special transportation costs, job coach services, anything else SSA thinks is reasonable, considering the person's impairment(s) and circumstances.




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## Medicare and Earned Income

### Medicare Work Incentives:

#### **Maintain Medicare when benefit check stops**

- Continuation of Medicare Coverage (CM)
  - If cash benefits stop due to work, Medicare can continue for at least 93 months  
(7 years, 9 months) after TWP ends
- Medicare for People with Disabilities Who Work
  - After CM is exhausted, if cash benefit stop due to work, buy into Medicare

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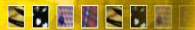
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## MED Works: Health Benefits for Workers with Disabilities



- Workers with Disabilities - age 16 to under 64
- Pay small monthly premium if earn over 150% of FPL
- Proof of paying FICA taxes
- Countable Income that does not exceed 350% of FPL
- Savings for Independence and Self-Sufficiency, up to \$20,000: Approved account to purchase good and services that will increase employability and independence (ABLE Act Impact: 4/29/15 Legislative session adjourned; no ABLE bill introduced)



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## Important SSI Concepts



- Not paid out of Social Security trust fund, but out of general federal tax dollars.
- Intended to supplement a beneficiary's other income and exists for the purpose of meeting basic food and shelter needs.
- A "means-tested" program—individuals with countable income and resources over the allowable limits are not eligible for an SSI cash payment or associated Medicaid coverage....resource test = \$2,000 for individual, \$3,000 if married.
- Exclusions, PASS, and PESS (property used in a trade or business...including cash!)

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## Important SSI Concepts

- Eligibility:
  - Same definition as title II—can't be earning over SGA at time of application, but then SGA no longer applies to eligibility.
  - Age 65, Blind, or disabled
  - Asset limits; up to 12 month suspension if over limits.
- Work Incentives: Student Earned Income Exclusion, IRWE, BWE, PASS, etc
- 1619 (b) Continued Medicaid at \$0 SSI Due to Earned Income (Up to \$37,087 in 2015 in Indiana)
- 1619 State Medicaid Thresholds and Individual Thresholds

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## SSI & Earned Income Example

\$1070.00	Earned Income
(-) \$ 85.00	General(\$20) & Earned Income(\$65) Exclusion
= \$ 985.00	Subtotal
(x) .50	One-Half Disregard
= \$ 492.50	Countable Earned Income
\$733.00	Maximum SSI
(-) \$492.50	Countable Earned Income
(=) \$240.50	New SSI check
\$ 240.50	New SSI check
(+) \$1070.00	Earned Income
(=) \$1310.50	Total Income

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## SSI & Earned Income

### ■ Additional Deductions

- Student Earned Income Exclusion (SEIE)
- Impairment Related Work Expenses (IRWE)
- Blind Work Expenses (BWE)
- Plan for Achieving Self Support (PASS)

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## Indiana and SSA Work Incentives

Table 4: Employment and Work Incentive Program Participation for Supplemental Security Income (SSI) Beneficiaries

	1999	2001	2003	2005	2007	2009	2011	2013
Total number of SSI recipients with disabilities	82,357	83,763	89,079	94,133	100,444	108,680	117,701	123,002
Number of SSI recipients with disabilities who are working	6,418	6,109	5,713	5,755	6,076	5,682	5,306	5,668
Percentage of SSI recipients with disabilities who are working	7.8%	7.3%	6.4%	6.1%	6.0%	5.2%	4.5%	4.6%
SSI recipients with disabilities who received Plans for Achieving Self-Support (PASS) benefits	4	5	6	16	30	25	23	15
SSI recipients with disabilities who received Impairment Related Work Expenses (IRWE) benefits	188	150	134	105	79	62	54	66
SSI recipients with disabilities who received Blind Work Expenses (BWE) benefits	57	68	42	44	38	29	29	22

Source: Social Security Administration, "SSI Disabled Recipients Who Work"

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StateData: The National Report on Employment Services and Outcomes - 2014

## Indiana and PASS Potential

### Indiana

Table 3.

Number of recipients in state (by eligibility category, age, and receipt of QASDI benefits) and amount of payments, by county, December 2014

County	ANSI Code	Total	Category		Age			SSI recipients also receiving QASDI	Amount of payments (thousands of dollars) <sup>1</sup>
			Aged	Blind and disabled	Under 18	18-64	65 or older		
Total Indiana	18	127,967	5,448	122,509	24,593	89,423	13,941	38,981	72,464

**\$272, 727,000 Potentially Available!**

## PASS Purpose

### -SSI Work Incentive

-The Purpose of PASS is to pay for work related expenses that will support an SSI and/or SSDI (if could be financially eligible for SSI) beneficiary to:

-Achieve higher earnings potential upon completion of the PASS

-Complete a VR Evaluation (with achieving higher earnings potential the ultimate goal)

-Pay for reducing job coaching supports

-PASS can pay for anything that is necessary to reach the Employment Goal and also of reasonable expense

## PASS Purpose

### Earning Potentials:

-SSDI beneficiaries = SGA level earnings

-SSI beneficiaries = reduce SSI benefit substantially (but not right away, generally 12-18 months)

-Remember, it's a plan! Beware formulaic approaches!

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## Getting a Ballpark PASS Figure

### Unearned (SSDI)

#### Example

\$604 SSDI check  
 (-) \$20 Exclusion  
**\$584 PASS/month**  
 \_\_\_\_\_  
 X 12  
**\$7008 PASS/year**

### Earned (Wages)

#### Example

\$600 Wages  
 (-) \$85 Exclusions  
 \_\_\_\_\_  
 (/) 2 Exclusion  
**\$257.50 PASS/month**  
 \_\_\_\_\_  
 X 12  
**\$3090 PASS/year**

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## PASS Exercise

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